

# 1997 HCFA Statistics

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1997



**HCFA**  
MEDICARE • MEDICAID  
Health Care Financing Administration

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## *Preface*

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This reference booklet provides significant summary information about health expenditures and Health Care Financing Administration (HCFA) programs. The information presented was the most current available at the time of publication. Significant time lags may occur between the end of a data year and aggregation of data for that year.

The data are organized as follows:

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## *Highlights*

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### **Growth in HCFA programs and health expenditures**

#### **Populations**

- Persons enrolled for Medicare coverage increased from 19.5 million in 1967 to a projected 38.5 million in 1997, a 97.4 percent increase.
- Medicaid recipients increased from about 10 million in calendar year 1967 to a projected 37.2 million in fiscal year 1997, an increase of 272 percent. Dependent children rose from 9.8 million in 1985 to 17.6 million in 1997, an increase of 80 percent.
- Medicaid recipients as a percent of the total civilian population have risen from 10.2 percent in 1990 to 13.2 percent in 1996, an increase of over 29 percent.
- Medicare enrollees with end-stage renal disease increased from over 66,700 in 1980 to nearly 225,000 in 1996, an increase of 237 percent.
- Medicare State buy-ins have grown from about 2.9

million recipients in 1975 to over 5.0 million recipients in 1996, an increase of over 72 percent.

- The number of dually entitled persons (that is, persons covered by both Medicare and Medicaid) amounted to nearly 6 million persons for 1996.

## **Providers/Suppliers**

- The number of inpatient hospital facilities decreased from 6,707 in 1975 to 6,273 in 1997. Total inpatient hospital beds have dropped from 51.5 beds per 1,000 enrolled in 1975 to 28.0 in 1997, a decrease of 46 percent.
- The total number of Medicare certified beds in short-stay hospitals showed a steady increase from less than 800,000 at the beginning of the program and peaked at 1,025,000 in 1984-86. Since that time, the number has dropped to slightly more than 912,000.
- The number of psychiatric hospitals grew to about 400 by 1976, where it remained until the start of the prospective payment system (PPS) in 1983. Since that time, the number has grown to 646.
- The number of skilled nursing facilities (SNFs) increased rapidly during the 1960s, decreased during the first half of the 1970s, and has been increasing ever since, reaching 14,177 by the beginning of 1997, an increase of 5.5 percent since 1996.
- After peaking in December 1970, the number of home health agencies (HHAs) remained stable during most of the decade. The number of HHAs accelerated with the passage of the Omnibus Budget

Reconciliation Act of 1980, which permitted the certification of proprietary HHAs in States not having licensure laws. By December 1986, there were almost 6,000 participating facilities. Between 1996 and 1997, the number of HHAs has grown from 7,827 to 8,860, an increase of 13.2 percent.

## **Expenditures**

- National health expenditures were \$51 billion in 1967, 6.3 percent of the gross national product . By 1996, total HCFA program outlays were \$268.6 billion, 17.0 percent of the Federal budget.
- Medicare skilled nursing facility benefit payments have increased from \$9.1 billion in 1995 to 10.6 billion in 1996, an increase of 16.5 percent.
- Medicare home health agency benefit payments have grown significantly from \$15.1 billion in FY 1995 to \$16.9 billion in FY 1996, an increase of 11.9 percent.
- Medicare hospice expenditures have grown from \$1.9 billion in FY 1995 to nearly \$2.0 billion in FY 1996, an increase of 5.3 percent.
- National health expenditures per person were \$247 in 1967 and grew steadily to reach \$3,621 by 1995.

## **Utilization of Medicare and Medicaid services**

- Between 1990 and 1996, the number of short-stay hospital discharges increased from 10.5 million to 11.7 million, an increase of nearly 11.5 percent.
- The short-stay hospital average length of stay



decreased significantly from 9.0 days in 1990 to 6.6 days in 1996, a decrease of over 25 percent. Likewise, the average length of stay for excluded units decreased significantly from 19.5 days in 1990 to 14.0 days in 1996, a decrease of over 28 percent.

- Over 63 million persons are projected to receive services paid by Medicare or Medicaid in fiscal year 1997.
- One out of five, or more than 11.5 million persons, will use inpatient hospital services covered by Medicare or Medicaid during 1996. The ratio of Medicare aged users of any type of covered service has grown from 367 per 1,000 enrolled in 1967 to 826 per 1,000 enrolled in 1995.
- Nearly 74 percent of Medicare enrollees and Medicaid recipients, or about 49.5 million persons, are projected to receive reimbursable physician services under Medicare or Medicaid during 1996.
- About 33 million persons are projected to receive reimbursable outpatient hospital services under Medicare or Medicaid during 1997.
- Over 1.3 million persons are projected to receive care in SNFs covered by Medicare during 1997.
- Over 1.7 million persons are projected to receive care in nursing facilities, which include SNFs and all other intermediate care facilities other than mentally retarded, covered by Medicaid during 1997.
- Nearly 23 million persons are projected to receive prescribed drugs under Medicaid during 1997.



## *Populations*

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### **Information about persons covered by Medicare or Medicaid**

For Medicare, statistics are based on persons enrolled for coverage. For Medicaid, recipient counts are used as a surrogate of persons eligible for coverage, as well as for persons utilizing services. Statistics are available by major program categories, by demographic and geographic variables, and as proportions of the U.S. population. Utilization data organized by persons served may be found in the Utilization section.

**Table 1**  
**Medicare enrollment/trends**

	Total persons	Aged persons	Disabled persons
July	In millions		
1966	19.1	19.1	--
1970	20.5	20.5	--
1975	25.0	22.8	2.2
1980	28.5	25.5	3.0
1985	31.1	28.2	2.9
1990	34.2	30.9	3.3
1991	34.9	31.5	3.4
1992	35.6	32.0	3.6
1993	36.3	32.4	3.8
1994	36.9	32.8	4.1
1995	37.3	33.0	4.3
1996	38.1	33.3	4.7
1997 <sup>1</sup>	38.5	33.5	5.0
1998 <sup>1</sup>	39.0	33.7	5.2
1999 <sup>1</sup>	39.4	33.9	5.5

<sup>1</sup>Data for 1966-1996 are as of July. Data for 1997-1999 represent ever enrolled estimates.

NOTE: Numbers may not add to totals because of rounding.

SOURCES: Health Care Financing Administration, Office of Information Services: Data from the Division of Information Distribution and the Actuarial and Health Cost Analysis Group: Data from the Division of Medicare and Medicaid Cost Estimates.

**Table 2**  
**Medicare enrollment/coverage**

	HI and/or SMI	HI	SMI	HI and SMI	HI only	SMI only
	In millions					
All persons	38.1	37.7	36.1	35.7	1.9	0.4
Aged persons	33.4	33.0	32.0	31.6	1.4	0.4
Disabled persons	4.6	4.6	4.2	4.2	0.4	( <sup>1</sup> )

<sup>1</sup>Number less than 500.

NOTE: Data as of July 1, 1996.

SOURCE: Health Care Financing Administration, Office of Information Services: Data from the Division of Information Distribution

**Table 3**  
**Medicare enrollment/demographics**

	Total	Male	Female
	In thousands		
All persons	38,092	16,332	21,759
Aged	33,404	13,576	19,828
65-74 years	18,031	8,061	9,970
75-84 years	11,408	4,414	6,984
85 years and over	3,965	1,101	2,864
Disabled	4,688	2,756	1,932
Under 45 years	1,610	983	627
45-54 years	1,317	776	541
55-64 years	1,760	997	763
White	32,530	13,902	18,628
Black	3,410	1,448	1,962
All Other	1,729	816	913
Native American	34	18	16
Asian/Pacific	177	77	100
Hispanic	427	209	217
Other	1,100	517	583
Unknown Race	423	166	256

NOTES: Data as of December 31, 1996. Numbers may not add to totals because of rounding.

SOURCE: Health Care Financing Administration, Office of Information Services: Data from the Division of Information Distribution.

**Table 4**  
**Medicare enrollment/end stage renal disease trends**

	HI and/or SMI	HI	SMI
Year			
1980	66,741	66,254	64,896
1990	172,078	170,629	163,708
1991	191,773	190,261	182,415
1992	207,356	205,918	196,994
1993	225,859	224,317	214,687
1994	234,771	233,133	224,667
1995	256,961	255,042	245,104
1996	224,564	224,543	214,019

NOTE: Data as of July 1.

SOURCE: Health Care Financing Administration, Office of Information Services: Data from the Division of Information Distribution.

**Table 5**  
**Medicare enrollment/end stage renal disease demographics**

	Number of enrollees
All persons	224,564
Age	
Under 25 years	7,790
25-44 years	47,748
45-64 years	84,004
65 years and over	85,022
Sex	
Male	120,314
Female	104,250
Race	
White	119,604
Other	93,822
Unknown	11,138

NOTE: Data as of July 1, 1996.

SOURCE: Health Care Financing Administration, Office of Information Services: Data from the Division of Information Distribution.

**Table 6**  
**Medicare/managed care**

	Number of Plans	Enrollees (in thousands)
Total prepaid	274	4,900
HCPPs/GPPPs <sup>1</sup>	56	426
TEFRA risk	181	4,230
Cost basis	32	198
Demonstrations	5	46
Percent of total Medicare beneficiaries		13.0

<sup>1</sup>Health care prepayment plans/group practice prepayment plans.

NOTES: Data as of January 1997. Numbers may not add to totals because of rounding.

SOURCE: Health Care Financing Administration, Center for Health Plans and Providers: Data from the Division of Health Plan and Provider Data.

**Table 7**  
**Medicare enrollment/HCFA region**

	Resident <sup>1</sup> population	Medicare <sup>2</sup> enrollees	Enrollees as percent of population
	In thousands		
All regions	265,284	36,998	13.9
Boston	13,351	2,058	15.4
New York	26,173	3,812	14.6
Philadelphia	26,897	4,017	14.9
Atlanta	48,967	7,466	15.2
Chicago	48,272	6,866	14.2
Dallas	31,003	3,817	12.3
Kansas City	12,435	1,942	15.6
Denver	8,560	1,031	12.0
San Francisco	39,093	4,635	11.9
Seattle	10,533	1,354	12.9

<sup>1</sup>Estimated July 1, 1996 resident population.

<sup>2</sup>Medicare enrollment data are as of July 1, 1996.

NOTES: Resident population is a provisional estimate. The 1996 resident population data for Outlying Areas, Puerto Rico, and the Virgin Islands are not available.

SOURCES: Health Care Financing Administration, Office of Information Services: Data from the Division Information Distribution. U.S. Bureau of the Census, Population Division, Population Estimates Branch.

**Table 8**  
**Aged population/projected**

	1997	2000	2025	2050	2075	2100
	In millions					
65 years and over	34.7	35.3	60.6	75.2	85.8	93.1
75 years and over	15.7	16.7	24.9	39.7	46.9	52.2
85 years and over	4.0	4.3	6.3	14.6	17.0	20.5

SOURCE: Social Security Administration, Office of Programs: Data from the Office of the Actuary.

**Table 9**  
**Life expectancy at age 65/trends**

	Male	Female
Year	In years	
1965	12.9	16.3
1980	14.0	18.4
1985	14.4	18.6
1990	15.0	19.0
1991	15.1	19.1
1992	15.2	19.2
1993	15.1	19.0
1994	15.3	19.0
1995 <sup>1</sup>	15.6	19.0
1996 <sup>2</sup>	15.5	19.2
1997 <sup>2</sup>	15.7	19.3
1998 <sup>2</sup>	15.7	19.3
1999 <sup>2</sup>	15.8	19.3
2000 <sup>2</sup>	15.8	19.3

<sup>1</sup>Preliminary.

<sup>2</sup>Estimated.

SOURCE: Social Security Administration, Office of Programs: Data from the Office of the Actuary.

**Table 10**  
**Elderly persons living below poverty level/trends**

	Persons in millions	Percent of total elderly
Year		
1966	5.1	28.5
1970	4.8	24.6
1980	3.9	15.7
1985	3.5	12.6
1990	3.7	12.2
1991	3.8	12.4
1992	3.9	12.9
1993	3.8	12.2
1994	3.7	11.7
1995	3.3	10.5

NOTES: Beginning in 1983, income estimates used for determining poverty level were based on improved measurement of interest income. Income estimates beginning 1987 are based on revised methodology.

SOURCE: U.S. Department of Commerce, Bureau of the Census.

**Table 11**  
**Medicaid recipients/trends**

	Fiscal year					
	1975	1980	1985	1996 <sup>1</sup>	1997 <sup>1</sup>	1998 <sup>1</sup>
	In millions					
Total <sup>2</sup>	22.0	21.6	21.8	36.8	37.2	37.7
Age 65 years and over	3.6	3.4	3.1	4.4	4.5	4.6
Blind	0.1	0.1	0.1	0.1	0.1	0.1
Disabled	2.4	2.8	2.9	6.7	6.9	6.9
Dependent children						
under 21 years of age	9.6	9.3	9.8	17.5	17.6	17.9
Adults in families with						
dependent children	4.5	4.9	5.5	7.4	7.5	7.6
Other Title XIX	1.8	1.5	1.2	0.6	0.6	0.6

<sup>1</sup>Estimated.

<sup>2</sup>Eligibility categories may not add to totals as some recipients are classified in more than one category during the year and due to the exclusion of unknowns.

SOURCES: Health Care Financing Administration, Office of Information Services: Data from the Division of Information Distribution and the Office of Strategic Planning: Actuarial and Health Cost Analysis Group: Data from the Division of Medicare and Medicaid Cost Estimates.

**Table 12**  
**Medicaid recipients/State buy-ins for Medicare**

	1975 <sup>1</sup>	1980 <sup>1</sup>	1995 <sup>2</sup>	1996 <sup>2</sup>
	In thousands			
All buy-ins	2,846	2,954	4,819	5,001
Aged	2,483	2,449	3,334	3,404
Disabled	363	504	1,485	1,597
	Percent of SMI enrollees			
All buy-ins	12.0	10.9	13.5	13.8
Aged	11.4	10.0	10.5	10.6
Disabled	18.7	18.9	37.7	38.4

<sup>1</sup>Recipients for whom the State paid Medicare supplementary medical insurance (SMI) premiums for the month of July. Number of SMI enrollees includes those with unknown State of residence, but excludes those living in foreign countries.

<sup>2</sup>Beneficiaries in person years for whom the State paid the Medicare SMI premium during the year. Percent calculated using July enrollment.

NOTE: Numbers may not add to totals because of rounding.

SOURCE: Health Care Financing Administration, Office of Information Services: Data from the Division of Information Distribution.



**Table 13**  
**Medicaid recipients/demographics**

	Fiscal year 1996	
	Medicaid recipients	Percent distribution
	In millions	
Total recipients	36.1	100.0
Age	36.1	100.0
Under 21	18.3	50.7
21-64 years	11.1	30.8
65 years and over	4.7	13.0
Unknown	2.0	5.5
Sex	36.1	100.0
Male	13.1	36.4
Female	20.9	57.9
Unknown	2.1	5.7
Race	36.1	100.0
White	16.2	44.9
Black	8.7	24.1
American Indian/Alaska Native	0.3	0.8
Asian/Pacific Islander	0.7	1.9
Hispanic	6.3	17.5
Unknown	3.9	10.8

NOTE: Numbers may not add to totals because of rounding.

SOURCE: Health Care Financing Administration, Center for Medicaid and State Operations: Data from the Division of Information Analysis and Technical Assistance.

**Table 14**  
**Medicaid recipients/HCFRA region**

	Resident <sup>1</sup> population	Medicaid <sup>2</sup> recipients	Recipients as percent of population
In thousands			
All regions	265,284	34,987	13.2
Boston	13,351	1,542	11.6
New York	26,173	3,995	15.3
Philadelphia	26,897	2,810	10.5
Atlanta	48,967	7,562	15.4
Chicago	48,272	5,587	11.6
Dallas	31,003	4,388	14.2
Kansas City	12,435	1,386	11.2
Denver	8,560	713	8.3
San Francisco	39,093	5,744	14.7
Seattle	10,533	1,260	12.0

<sup>1</sup>Estimated July 1, 1996 population.

<sup>2</sup>Medicaid recipient data are as of fiscal year 1996.

NOTES: Numbers may not add to totals because of rounding. Resident population is a provisional estimate. The 1996 resident population data for Outlying Areas, Puerto Rico, and the Virgin Islands are not available.

SOURCES: Health Care Financing Administration, Center for Medicaid and State Operations. Data from the Division of Information Analysis and Technical Assistance: U.S. Department of Commerce, Bureau of the Census.



## *Providers/Suppliers*

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**Information about institutions, agencies, or professionals who provide health care services and individuals or organizations who furnish health care equipment or supplies**

These data are distributed by major provider/supplier categories, by geographic region, and by type of program participation. Utilization data organized by type of provider/supplier may be found in the Utilization section.

**Table 15**  
**Inpatient hospitals/trends**

	1975	1980	1996	1997
Total hospitals	6,707	6,780	6,376	6,273
Beds in thousands	1,132	1,152	1,056	1,039
Beds per 1,000 enrollees	51.5	46.9	28.4	28.0
Short-stay	6,084	6,111	5,252	5,185
Beds in thousands	884	988	926	912
Beds per 1,000 enrollees	40.2	40.2	24.9	24.2
Psychiatric	358	408	682	646
Beds in thousands	207	136	86	83
Beds per 1,000 enrollees	9.4	5.5	2.3	2.5
Other long-stay	265	261	442	442
Beds in thousands	42	29	44	44
Beds per 1,000 enrollees	1.9	1.2	1.2	1.3

NOTES: Facility data as of January 1, excluding Christian Science. Rates based on number of HI enrollees as of July 1, 1996, excluding foreign countries.

SOURCES: Health Care Financing Administration, Office of Information Services: Data from the Division of Information Distribution. Office of Strategic Planning: Data from the Division of Systems, Technical, and Analytical Resources Group.

**Table 16**  
**Medicare assigned claims/HCFR region**

	Net assignment rates		
	1980	1995	1996
All regions	51.5	94.7	95.9
Boston	67.4	98.0	98.4
New York	51.8	94.7	96.0
Philadelphia	61.6	95.4	96.4
Atlanta	52.3	95.6	96.5
Chicago	47.6	94.9	96.1
Dallas	50.3	94.2	95.4
Kansas City	40.4	91.8	94.1
Denver	39.5	89.5	92.3
San Francisco	53.2	95.5	96.3
Seattle	31.3	88.1	90.7

NOTE: Calendar year data.

SOURCE: Health Care Financing Administration, Office of Financial Management: Data from the Division of Financial Operations.

**Table 17**  
**Hospitals and units/status under the**  
**prospective payment system (PPS)<sup>1</sup>**

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Total hospitals	6,287
Hospitals under PPS	5,118
Hospitals receiving special consideration:	822
Regional referral centers	132
Sole community hospitals	690
Non-PPS hospitals	1,169
Categorically exempt:	1,105
Psychiatric	641
All other non-short stay	464
Short-stay hospitals in waiver States or demonstrations <sup>2</sup>	50
Short-stay hospitals in outlying areas	5
Cancer hospitals	9
Total excluded units	2,347
Psychiatric	1,473
Rehabilitation	874

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<sup>1</sup> PPS is a reimbursement system whereby Medicare payment for inpatient operating costs is made at a predetermined specific rate for each discharge rather than on a reasonable-cost basis. All discharges are classified according to a list of diagnosis-related groups.

<sup>2</sup> Short-stay hospitals in demonstration project lost waiver 12/94.

NOTE: Data as of March 1997.

SOURCES: Health Care Financing Administration, Office of Information Services; Data from the Division of Information Distribution; and the Center for Health Plans and Providers: Data from the Division of Acute Care.

**Table 18**  
**Long-term facilities/HCFAs region**

	Title XVIII and XVIII/XIX SNFs <sup>1</sup>	Nursing Facilities	IMRs <sup>2</sup>
All regions	14,177	3,146	7,247
Boston	1,085	104	230
New York	927	73	887
Philadelphia	1,330	177	473
Atlanta	2,489	221	741
Chicago	3,024	789	2,199
Dallas	1,665	849	1,480
Kansas City	1,060	664	194
Denver	572	88	102
San Francisco	1,528	132	862
Seattle	497	49	79

<sup>1</sup>Skilled nursing facilities.

<sup>2</sup>Institutions for mentally retarded.

NOTE: Data as of January 1997.

SOURCE: Health Care Financing Administration, Center for Health Plans. Plan and Provider Purchasing Policy Group: Data from the Division of Acute Care.

**Table 19**  
**Other Medicare providers and suppliers/trends**

	1975	1980	1996	1997
Home health agencies	2,254	2,858	8,437	8,860
Medicare laboratories	2,994	3,448	<sup>1</sup> 159,907	158,380
End stage renal disease facilities	-	975	2,876	3,069
Outpatient physical therapy	115	386	2,302	2,432
Portable X-ray	131	210	555	609
Rural health clinics	-	359	2,775	2,217
Comprehensive outpatient rehabilitation facilities	-	-	307	403
Ambulatory surgical centers	-	-	2,112	2,265
Hospices	-	-	1,927	2,161

<sup>1</sup>Includes providers newly covered under the Clinical Laboratory Improvement (CLIA) Amendment of 1988, provision effective 1992.

NOTES: 1997 Data as of January. 1996 Medicare laboratory data as of February.

SOURCE: Health Care Financing Administration, Center for Health Plans. Plan and Provider Purchasing Policy Group: Data from the Division of Acute Care.



**Table 20**  
**Selected facilities/type of control**

	Short-stay hospitals	Skilled nursing facilities	Home health agencies
Total facilities	5,185	14,177	8,860
	Percent of total		
Non-profit	58.1	27.9	32.9
Proprietary	13.1	66.5	51.7
Government	28.8	5.6	15.3

NOTES: Data as of January 1997. Facilities certified for Medicare are deemed to meet Medicaid standards.

SOURCES: Health Care Financing Administration, Office of Strategic Planning:: Data from the Systems, Technical and Analytical Resources Group. Center for Health Plans. Plan and Provider Purchasing Policy Group: Data from the Division of Acute Care.

**Table 21**  
**Periodic interim payment (PIP) facilities/trends**

	1980	1985	1994	1995	1996
<b>Hospitals</b>					
Number of PIP	2,276	3,242	1,253	1,221	1,140
Percent of total participating	33.8	48.3	19.6	19.2	18.0
<b>Skilled nursing facilities</b>					
Number of PIP	203	224	1,265	1,403	1,354
Percent of total participating	3.9	3.4	10.2	11.5	9.6
<b>Home health agencies</b>					
Number of PIP	481	931	1,465	1,601	1,515
Percent of total participating	16.0	16.0	18.5	17.4	15.6

NOTES: Data from 1985 to date are as of September; 1980 data are as of December. The Omnibus Budget Reconciliation Act of 1986 eliminated PIP for many inpatient hospitals.

SOURCE: Health Care Financing Administration, Office of Financial Management: Data from the Division of Financial Data Analysis.

**Table 22**  
**Physicians active in patient care/trends**

	1980		1985		1997	
	Number	Percent	Number	Percent	Number	Percent
Physicians	<sup>1</sup> 361,915	100.0	<sup>1</sup> 431,527	100.0	<sup>2</sup> 782,887	100.0
Specialties						
Medical	105,049	29.0	132,519	30.7	155,937	19.9
Surgical	103,312	28.5	118,955	27.6	<sup>1</sup> 151,042	20.0
Other	96,871	26.8	117,109	27.1	377,309	46.9
General pract.	56,683	15.7	62,944	14.6	<sup>3</sup> 98,544	13.1

<sup>1</sup>Non-Federal physicians only.

<sup>2</sup>Includes physicians, doctors of osteopathy, and limited licensed practitioners.

<sup>3</sup>Specialties include general practice, family practice and internal medicine.

SOURCES: For 1980 and 1985: American Medical Association: *Physician Characteristics and Distribution in the U.S.* Chicago: 1997 data are derived from the Health Care Financing Administration Unique Physician Identification Number Directory.

**Table 23**  
**Physicians/HCFR region**

	Physicians active in patient care	Physicians per 100,000 population
All regions	<sup>1</sup> 782,887	206
Boston	52,962	256
New York	105,434	244
Philadelphia	89,842	228
Atlanta	125,136	166
Chicago	135,955	197
Dallas	76,613	199
Kansas City	35,457	182
Denver	24,194	232
San Francisco	109,480	219
Seattle	27,811	204

<sup>1</sup>Excludes physicians in foreign countries.

NOTES: Physicians as of January 1997. Civilian population as of July 1, 1996.

SOURCE: Health Care Financing Administration Unique Physician Identification Number Directory.

**Table 24**  
**Inpatient hospitals/HCFAs region**

	Short-stay hospitals	Beds per 1,000 enrollees	Long-stay facilities	Beds per 1,000 enrollees
All regions	5,185	24.2	1,088	3.4
Boston	211	19.3	78	5.6
New York	367	25.7	76	4.9
Philadelphia	420	22.1	126	4.4
Atlanta	1,002	24.8	200	2.7
Chicago	920	27.2	152	2.7
Dallas	754	25.6	230	4.2
Kansas City	457	28.0	54	2.6
Denver	286	24.5	36	3.6
San Francisco	556	22.0	113	2.1
Seattle	217	18.3	23	2.1

NOTES: Data as of January 1997. Rates based on number of hospital insurance enrollees as of July 1, 1996.

SOURCE: Health Care Financing Administration, Office of Information Services: Data from the Division of Information Distribution.



## *Expenditures*

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**Information about spending for health care services by Medicare, Medicaid, and in the Nation as a whole**

Health care spending at the aggregate levels is distributed by source of funds, types of service, geographic area, and broad beneficiary or eligibility categories. Direct out-of-pocket, other private, and non-HCFA-related expenditures are also covered in this section. Expenditures on a per-unit-of-service level are covered in the Utilization section.

**Table 25**  
**HCFA and total Federal disbursements**

	Fiscal year 1996 in billions
Gross domestic product (current dollars)	\$7,484.7
Total Federal budget <sup>1</sup>	1,560.3
Percent of gross domestic product	21.0
Department of Health and Human Services <sup>1/2/</sup>	665.2
Percent of Federal budget	44.0
HCFA budget	
Medicare benefit payments	191.1
Medicaid medical assistance payments	88.2
HCFA program management	2.1
State and local administration/training	3.8
Other administrative expenses	0.9
Peer review organizations	0.2
Quinquennial adjustment	2.4
Total (unadjusted)	288.6
Offsetting and proprietary receipts	-20.0
Total net of offsetting and proprietary receipts <sup>1</sup>	268.6
Percent of Federal budget	17.0

<sup>1</sup>Includes off-budget entities, net of offsetting receipts.

<sup>2</sup>Includes the Social Security Administration.

NOTE: Numbers may not add to totals because of rounding.

SOURCE: Health Care Financing Administration, Budget and Analysis Group: Data from the Division of Budget Formulation.

**Table 26**  
**Program outlays/trends**

	Total	Medicare <sup>1</sup> In billions	Medicaid <sup>2</sup>
Fiscal year			
1980	\$60.8	\$35.0	\$25.8
1990	182.2	109.7	72.5
1996	358.2	196.6	161.6
1997	384.2	211.7	172.5

<sup>1</sup>Medicare amounts are gross outlays for benefits and administration.

<sup>2</sup>Medicaid amounts include both the Federal and State share of benefit payments including vaccines for children and administrative costs.

SOURCE: Health Care Financing Administration, Budget and Analysis Group: Data from the Division of Budget Formulation.

**Table 27**  
**Benefit outlays by program**

	1967	1968	1996	1997 <sup>1</sup>
Annually	Amounts in billions			
HCFA program outlays	\$5.1	\$8.4	\$346	\$377
Federal outlays	NA	6.7	279	305
Medicare	3.2	5.1	191	211
HI	2.5	3.7	124	136
SMI	0.7	1.4	67	75
Medicaid <sup>2</sup>	1.9	3.3	155	166
Federal share	NA	1.6	88	94
Monthly	In millions		In billions	
HCFA program outlays	\$423	\$702	\$29	\$31
Federal outlays	NA	561	23	25
Medicare	264	427	16	18
HI	209	311	10	11
SMI	055	116	6	6
Medicaid	158	275	13	14
Federal share	NA	133	7	8
Hourly	In thousands		In millions	
HCFA program outlays	\$579	\$962	\$40	\$43
Federal outlays	NA	768	32	35
Medicare	362	585	22	24
HI	286	426	14	16
SMI	76	159	8	9
Medicaid	217	377	18	19
Federal share	NA	183	10	11
Minutely	In thousands			
HCFA program outlays	\$10	\$16	\$659	\$717
Federal outlays	NA	13	531	580
Medicare	6	10	364	401
HI	5	7	236	259
SMI	1	3	128	143
Medicaid	4	6	296	316
Federal share	NA	3	168	179

<sup>1</sup>Estimated. <sup>2</sup>These amounts reflect both Federal and State Medicaid benefit outlays. State Medicaid administrative costs are excluded. Expenditures for the vaccine for children's program are included.

NOTES: Fiscal year data. Numbers may not add to totals because of rounding.

SOURCE: Health Care Financing Administration, Budget and Analysis Group: Data from the Division of Budget Formulation.



**Table 28**  
**Program benefit payments/HCFR region**

		Medicaid	
	Medicare <sup>1</sup>	Total payments computable for Federal funding	Net expenditures <sup>2</sup> reported Federal share
		In millions	
All regions	\$191,176	\$152,920	\$86,994
Boston	11,312	9,986	5,199
New York	21,771	29,817	14,955
Philadelphia	20,804	14,651	7,875
Atlanta	39,786	24,327	15,725
Chicago	31,500	25,242	14,299
Dallas	21,691	15,556	10,687
Kansas City	8,328	5,778	3,514
Denver	4,387	3,165	1,975
San Francisco	26,254	19,167	9,882
Seattle	5,306	5,230	2,882

<sup>1</sup>Includes \$36.1 million in payments to all other areas. <sup>2</sup>Source Form HCFA-64 -- Line 11, Net Expenditures Reported. Territories are at capped levels.

NOTES: Data as of fiscal year 1996 and are considered preliminary. Numbers may not add to totals because of rounding.

SOURCES: Health Care Financing Administration, Office of Information Services: Division of Information Distribution; Budget and Analysis Group: Data from the Division of Budget Formulation and the Center for Medicaid and State Operations: Quality and Performance Management Group.

**Table 29**  
**Medicare/trust fund projections**

	Fiscal year		
	1996	1997	1998
In billions			
HI benefit payments <sup>1</sup>	\$123.9	\$136.0	\$147.2
Aged	109.4	119.7	129.1
Disabled	14.5	16.3	18.1
SMI benefit payments	67.2	74.9	82.5
Aged	57.3	64.7	71.1
Disabled	9.8	10.2	11.4

<sup>1</sup>Current law data.

SOURCE: Health Care Financing Administration, Budget and Analysis Group: Data from the Division of Budget Formulation.

**Table 30**  
**Medicare/type of benefit**

	Fiscal year 1996 benefit payments in millions <sup>1</sup>	Percent distribution
Total HI <sup>2</sup>	\$123,907	100.0
Inpatient hospital	94,609	76.4
Skilled nursing facility	10,648	8.6
Home health agency	16,681	13.5
Hospice	1,969	1.6
Total SMI	67,166	100.0
Physician/other suppliers	40,980	61.0
Outpatient hospital	16,325	24.3
Home health agency	211	0.3
Group practice prepayment	7,710	11.5
Independent laboratory	1,940	2.9

<sup>1</sup>Includes the effect of regulatory items and recent legislation but not proposed law.

<sup>2</sup>Excludes peer review organization expenditures.

NOTES: Numbers may not add to totals because of rounding. Benefits by type of service are estimated and subject to change.

SOURCE: Health Care Financing Administration, Budget and Analysis Group: Data from the Division of Budget Formulation.

**Table 31**  
**National health care/trends**

	Calendar year			
	1965	1980	1994	1995
National total in billions	\$41.1	\$247.2	\$937.1	\$988.5
Percent of GDP	5.7	8.9	13.5	13.6
Per capita amount	\$202	\$1,052	\$3,465	\$3,621
Source of funds	Percent of total			
Private	75.0	57.6	55.2	53.8
Public	25.0	42.4	44.8	46.2
Federal	11.7	29.1	32.2	33.2
State/local	13.3	13.3	12.6	12.9

NOTES: These data reflect Bureau of Economic Analysis Gross Domestic Product as of January 1997, and the Social Security Administration's revisions to the population as of July 1996. Numbers may not add to totals because of rounding.

SOURCE: Health Care Financing Administration, Office of Strategic Planning: Data from Division of National Health Statistics.

**Table 32**  
**Medicaid/type of service**

	Fiscal year		
	1993	1995	1996
	In billions		
Total vendor payments	\$101.7	\$120.1	\$121.4
	Percent of total		
Inpatient services	27.4	24.0	22.3
General hospitals	25.3	21.9	20.7
Mental hospitals	2.1	2.1	1.7
Nursing facility services <sup>1</sup>	25.0	24.2	24.3
Intermediate care facility (MR) services <sup>2</sup>	8.7	8.6	7.8
Physician services	6.8	6.1	5.9
Dental services	0.9	0.8	0.8
Other practitioner services	0.9	0.8	0.9
Outpatient hospital services	6.1	5.5	5.4
Clinic services	3.4	3.6	3.5
Laboratory and radiological services	1.1	1.0	1.0
Home health services	5.5	7.8	8.9
Prescribed drugs	7.8	8.1	8.8
Family planning services	0.5	0.4	0.4
Early and periodic screening	0.8	1.0	1.2
Rural health clinic services	0.2	0.2	0.3
Other care	4.7	7.8	8.4

<sup>1</sup>Nursing facilities include: SNFs and all other categories for Intermediate Care Facilities (ICF), other than "MR".

<sup>2</sup>"MR" indicates mentally retarded.

SOURCE: Health Care Financing Administration, Center for Medicaid and State Operations: Data from the Division of Information Analysis and Technical Assistance.

**Table 33**  
**Medicare savings attributable to secondary payor provisions/type of provision**

	Workers Comp.	Working Aged	ESRD	Auto	Disability	Total
1994	109.4	1,499.1	162.0	298.6	894.2	2,963.3
1995	117.5	1,428.3	181.0	335.7	944.4	3,006.9
1996	104.7	1,357.6	167.6	385.0	924.9	2,939.9

NOTES: Fiscal year data. In millions of dollars.

SOURCE: Health Care Financing Administration, Financial Services Group. Division of Accounting: Data from the MSP Operations Branch.

**Table 34**  
**Medicaid/payments by eligibility status**

	Fiscal year 1996 vendor payments <sup>1</sup>	Percent distribution
	In millions	
Total	\$121,418	100.0
Age 65 years and over	36,786	30.3
Blind/disabled	51,964	42.8
Dependent children under 21 years of age	17,543	14.4
Adults in families with dependent children	12,275	10.1
Other Title XIX	1,399	1.2

<sup>1</sup>Preliminary.

NOTE: Numbers may not add to totals due to the exclusion of unknowns and because of rounding.

SOURCE: Health Care Financing Administration, Center for Medicaid and State Operations, Data and Systems Group: Data from the Division of Information Analysis and Technical Assistance.

**Table 35**  
**Medicare/durable medical equipment<sup>1</sup>**

Category	Allowed Charges <sup>2</sup>	
	1995	1996
	In thousands	
Total	\$4,704,159	\$4,846,337
Surgical dressings	\$132,098	\$66,855
Supplies/accessories	200,668	244,446
Capped rental	886,090	908,382
Customized items	232	114
Oxygen	1,654,858	1,851,288
Prosthetics/orthotics	802,603	771,514
Inexpensive/routine	367,013	314,363
Items with frequent maintenance	71,392	92,942
Other	589,205	596,435

<sup>1</sup>Data are for calendar year.

<sup>2</sup>The allowed charge is the Medicare approved payment reported on a line item on the physician/supplier claim.

SOURCE: Health Care Financing Administration, Office of Information Services: Data from the Division of Information Distribution.

**Table 36**  
**National health care/type of expenditure**

	National total in billions	Per capita amount	Private as a percent of total	Public
Total	\$988.5	\$3,621	53.8	46.2
Health services and supplies	957.8	3,509	54.4	45.6
Personal health care	878.8	3,219	55.4	44.6
Hospital care	350.1	1,283	38.8	61.2
Physician services	201.6	739	68.3	31.7
Nursing home care	77.9	285	41.8	58.2
Other personal care	249.2	913	72.6	27.4
Other services and supplies	79.1	290	43.6	46.4
Research and construction	30.7	112	35.5	64.5

NOTE: Data are as of calendar year 1995.

SOURCE: Health Care Financing Administration, Office of Strategic Planning: Data from Division of National Health Statistics.

**Table 37**  
**Personal health care/payment source**

	Calendar year			
	1970	1980	1994	1995
	In billions			
Total	\$63.8	\$217.0	\$827.9	\$878.8
	Percent			
Total	100.0	100.0	100.0	100.0
Private funds	64.7	59.9	56.5	55.4
Private health insurance	23.2	28.6	31.9	31.5
Out-of-pocket	39.0	27.8	21.3	20.8
Other private	2.6	3.6	3.4	3.1
Public funds	35.3	40.1	43.6	44.6
Federal	23.0	29.2	33.7	34.5
State and local	12.2	10.9	10.0	10.1

NOTES: Excludes administrative expenses, research, construction, and other types of spending that are not directed at patient care.

SOURCE: Health Care Financing Administration, Office of Strategic Planning: Data from Division of National Health Statistics.

## *Utilization*

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### **Information about the use of health care services**

Utilization information is organized by persons receiving services and alternately by services rendered. Measures of health care usage include: persons served, units of service (e.g., discharges, days of care, etc.), and dimensions of the services rendered (e.g., average length of stay, charge per person or per unit of service). These utilization measures are aggregated by program coverage categories, provider characteristics, type of service, and demographic and geographic variables.



**Table 38**  
**Medicare/short-stay hospital utilization**

	1990	1995	1996
<b>Discharges</b>			
Total in millions <sup>1</sup>	10.5	11.7	11.7
Rate per 1,000 enrollees	313	317	312
<b>Days of care</b>			
Total in millions	94	83	78
Rate per 1,000 enrollees <sup>1</sup>	2,805	2,253	2,074
<b>Average length of stay</b>			
All short-stay	9.0	7.1	6.6
Excluded units <sup>2</sup>	19.5	14.9	14.0
<b>Total charges per day</b>	\$1,060	\$1,844	\$2,002

<sup>1</sup>Includes alcohol/drug, psychiatric, and rehabilitation units.

<sup>2</sup>The population base is HI enrollment excluding HI enrollees residing in foreign countries.

SOURCE: Health Care Financing Administration, Office of Information Services: Data from the Division of Information Distribution.

**Table 39**  
**Medicare long-term care/trends**

	Skilled nursing facilities		Home health agencies	
	Persons served in thousands	Served per 1,000 enrollees	Persons served in thousands	Served per 1,000 enrollees
<b>Calendar year</b>				
1982	252	9	1,172	40
1985	315	10	1,576	51
1990 <sup>1</sup>	638	19	1,978	58
1992	779	22	2,504	71
1993	908	25	2,867	80
1994	1,068	29	3,176	86
1995	1,240	33	3,457	93

<sup>1</sup>Increased utilization coincident with changes enacted under the Medicare Catastrophic Coverage Act of 1988.

SOURCE: Health Care Financing Administration, Office of Information Services: Data from the Division of Information Distribution.



**Table 40**  
**Medicare average length of stay/trends**

	Fiscal year					
	1984	1990	1993	1994	1995	1996
All short-stay hospitals	9.1	9.0	8.1	7.6	7.1	6.6
PPS hospitals <sup>1</sup>	8.0	<sup>2</sup> 8.9	8.1	7.3	7.1	6.6
Excluded units	18.0	19.5	17.2	15.9	14.8	14.0

<sup>1</sup>Bills for stays that overlap a hospital's transition into the prospective payment system (PPS) are aggregated and included in PPS. Average length of stay may differ from that based on that portion of stays actually covered by PPS.

<sup>2</sup>Includes pre-PPS experience, hospitals in waiver States, cancer hospitals, PPS excluded units, demonstration hospitals, and hospitals in outlying areas.

NOTES: Fiscal year data. Average length of stay is shown in days. For all short-stay and PPS hospitals, 1984 data are based on a 20-percent sample of Medicare HI enrollees. Data for 1990 through 1996 are based on 100-percent MEDPAR. Data may differ from other sources or from the same source with a different update cycle.

SOURCE: Health Care Financing Administration, Office of Information Services: Data from the Division of Information Distribution.

**Table 41**  
**Medicare persons served/trends**

	Calendar year				
	1967	1980	1985	1994	1995
Aged persons served per 1,000 enrollees					
HI and/or SMI	367	638	722	830	826
HI	203	240	219	217	218
SMI	365	652	739	861	858
Disabled persons served per 1,000 enrollees					
HI and/or SMI	--	594	669	756	759
HI	--	246	228	213	212
SMI	--	634	715	832	837

NOTES: Data for 1995 exclude beneficiaries in foreign countries. Persons served are those for whom Medicare Trust Fund payments were made. Based on July 1, enrollment. Rates may differ from estimates using risk-based enrollment.

SOURCE: Health Care Financing Administration, Office of Information Services: Data from the Division of Information Distribution.

**Table 42**  
**Medicare persons served/projections**

	Fiscal year				
	1996	1997	1998	1999	2000
In millions					
HI					
Aged					
Enrollees	32.9	33.1	33.3	33.5	33.8
Persons served	7.2	7.3	7.3	7.4	7.5
Disabled					
Enrollees	4.7	5.0	5.2	5.5	5.8
Persons served	1.0	1.0	1.1	1.2	1.2
SMI					
Aged					
Enrollees	31.9	32.1	32.3	32.5	32.6
Persons served	27.0	27.5	27.9	28.2	28.6
Disabled					
Enrollees	4.1	4.3	4.5	4.7	4.9
Persons served	3.3	3.5	3.7	3.9	4.1

NOTES: Enrollment represents actuarial estimates of average monthly enrollment during the fiscal year. Persons served represents actuarial estimates of beneficiaries projected to meet the Part A or Part B deductible amount during the fiscal year.

SOURCE: Health Care Financing Administration, Office of Strategic Planning: Data from Division of National Health Statistics.

**Table 43**  
**Medicare persons served/HCFA region**

	Aged persons served in thousands	Served per 1,000 enrollees	Disabled persons served in thousands	Served per 1,000 enrollees
All regions <sup>1</sup>	27,379	826	3,333	759
Boston	1,582	872	164	737
New York	3,140	835	353	721
Philadelphia	3,157	884	320	790
Atlanta	5,570	870	734	802
Chicago	5,916	891	565	775
Dallas	2,805	849	344	769
Kansas City	1,573	904	149	795
Denver	759	822	78	718
San Francisco	2,470	602	319	668
Seattle	913	762	97	725

<sup>1</sup>Excludes residents of foreign countries.

NOTES: Data as of calendar year 1995 for persons served under HI and/or SMI. Based on utilization for fee-for-service and excludes utilization under alternative payment systems such as health maintenance organizations. Numbers may not add to totals because of rounding.

SOURCE: Health Care Financing Administration, Office of Information Services: Data from the Division of Information Distribution.

**Table 44**  
**Medicare/end stage renal disease (ESRD)**

	Calendar year		
	1994	1995	1996
Total enrollees <sup>1</sup>	234,771	256,961	224,564
Dialysis patients <sup>2</sup>	186,822	200,162	214,103
Outpatient	153,674	166,571	181,533
Home	33,148	33,591	32,570
Transplants performed <sup>3</sup>	11,312	11,902	12,198
Living donor	2,738	2,992	3,084
Cadaveric donor	8,312	8,486	8,495
Living unrelated	262	424	619
Average dialysis payment rate			
Hospital-based facilities	\$130	\$130	\$130
Freestanding facilities	\$126	\$126	\$126

<sup>1</sup>Medicare ESRD enrollees as of July 1.

<sup>2</sup>Includes Medicare and non-Medicare patients receiving dialysis as of December 31.

<sup>3</sup>Includes kidney transplants for Medicare and non-Medicare patients.

SOURCES: Health Care Financing Administration, Office of Clinical Standards and Quality: Data from the Program Management and Medical Information System.

**Table 45**  
**Medicaid/type of service**

	Fiscal year 1996 Medicaid recipients <sup>1</sup> In thousands
Total	36,077
Inpatient services	
General hospitals	5,358
Mental hospitals	93
Nursing facility services <sup>2</sup>	1,590
Intermediate care facility (MR) services <sup>3</sup>	140
Physician services	22,827
Dental services	6,200
Other practitioner services	5,336
Outpatient hospital services	15,890
Clinic services	5,068
Laboratory and radiological services	12,588
Home health services	1,726
Prescribed drugs	22,556
Family planning services	2,366
Early and periodic screening	6,588
Rural health clinic services	1,407
Other care	13,097

<sup>1</sup>Preliminary.

<sup>2</sup>Nursing facilities include: SNFs and all categories of ICF, other than "MR".

<sup>3</sup>"MR" indicates mentally retarded.

SOURCE: Health Care Financing Administration, Center for Medicaid and State Operations: Data from the Division of Information Analysis and Technical Assistance.

**Table 46**  
**Medicaid/units of service**

	Fiscal year 1996 units of service <sup>1</sup>
	In thousands
General hospital <sup>1</sup>	
Total discharges	4,642
Recipients discharged	3,297
Total days of care	23,037
Nursing facility <sup>2</sup>	
Total days of care	408,599
Intermediate care facility/mentally retarded <sup>3</sup>	
Total days of care	56,579

<sup>1</sup>Preliminary.

<sup>2</sup>Based on reporting States and the District of Columbia (Data are not reported for Hawaii, Georgia and Puerto Rico).

<sup>3</sup>Based on reporting States and the District of Columbia (Data are not reported for New York, Puerto Rico, Virgin Islands, Georgia and Hawaii).

NOTE: Nursing facilities include: SNFs and all categories of ICF, other than MR.

SOURCE: Health Care Financing Administration, Center for Medicaid and State Operations: Data from the Division of Information Analysis and Technical Assistance.

## *Administrative/Operating*

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**Information on activities and services related to oversight of the day-to-day operations of HCFA programs**

Included are data on Medicare contractors, contractor activities and performance, HCFA and State agency administrative costs, quality control, and summaries of the operation of the Medicare trust funds.



**Table 47**  
**Medicare administrative expenses/trends**

	Administrative expenses	
	Amount in millions	As a percent of benefit payments
<b>HI Trust Fund</b>		
1970	\$149	3.1
1975	259	2.5
1980	497	2.1
1985	813	1.7
1990	774	1.2
1992	1,191	1.5
1993	866	1.0
1994	1,235	1.2
1995	1,300	1.1
1996	1,229	1.0
<b>SMI Trust Fund</b>		
1970	217	11.0
1975	405	10.8
1980	593	5.8
1985	922	4.2
1990	1,524	3.7
1992	1,661	3.4
1993	1,845	3.5
1994	1,718	3.0
1995	1,722	2.8
1996	1,771	2.6

NOTE: Fiscal year data.

SOURCE: Health Care Financing Administration, Office of Strategic Planning:  
Data from the Division of Medicare and Medicaid Cost Estimates.

**Table 48**  
**Medicare/contractors**

	Intermediaries	Carriers
Blue Cross/Blue Shield	37	19
Other	5	8

NOTE: Data as of January 1997.

SOURCE: Health Care Financing Administration, Office of Financial  
Management: Data from the Division of Financial Operations.

**Table 49**  
**Medicare/appeals**

	Intermediary reconsiderations	Carrier reviews
Number processed	60,675	3,638,363
Percent with increased payments <sup>1</sup>	35.8	74.2

<sup>1</sup>Excludes withdrawals and dismissals.

NOTE: Data for fiscal year 1996.

SOURCE: Health Care Financing Administration, Office of Financial Management: Data from the Division of Financial Operations.

**Table 50**  
**Medicare/claims processing bottom line unit costs**

	Unit cost per claim			
	1975	1980	1995	1996
Intermediaries <sup>1</sup>	\$3.84	\$2.96	\$1.95	\$1.89
Carriers <sup>2</sup>	2.90	2.33	\$1.41	\$1.34

<sup>1</sup>Includes direct costs and overhead costs for bill payment, reconsiderations, and hearings lines.

<sup>2</sup>Includes direct costs and overhead costs for the claims payment, reviews and hearings, and beneficiary/physician inquiries lines.

NOTE: Fiscal year data.

SOURCE: Health Care Financing Administration, Office of Financial Management: Data from the Division of Financial Operations.

**Table 51**  
**Medicare/claims processing**

	Intermediaries	Carriers
Claims processed in millions	142.1	665.6
Total costs in millions	\$525.5	\$1,057.2
Claims processing costs in millions	\$191.9	\$554.2
Claims processing unit costs	\$1.20	\$ 0.74
Range		
High	\$1.65	<sup>1</sup> \$1.19
Low	\$0.92	\$0.68

<sup>1</sup>Excludes DMERCs

NOTE: Data for fiscal year 1996.

SOURCE: Health Care Financing Administration, Office of Financial Management: Data from the Division of Financial Operations.

**Table 52**  
**Medicare/claims received**

	Claims received
Intermediary claims received in thousands	145,636
	Percent of total
Inpatient hospital	9.0
Outpatient hospital	42.8
Home health agency	14.2
Skilled nursing facility	2.4
Other	31.6
Carrier claims received in thousands	678,030
	Percent of total
Assigned	95.9
Unassigned	4.1

NOTE: Data for calendar year 1996.

SOURCE: Health Care Financing Administration, Office of Financial Management: Data from the Division of Financial Data Analysis.

**Table 53**  
**Medicare/charge reductions**

	Assigned	Unassigned
Claims approved		
Number in millions	549.3	22.8
Percent reduced	<sup>1</sup> 87.1	<sup>1</sup> 84.4
Total covered charges		
Amount in millions	\$97,509	\$1,947
Percent reduced	44.9	15.8
Amount reduced per claim	\$79.74	\$13.47

<sup>1</sup>Figure may be slightly overstated due to the possibility of a claim being counted more than once because more than one type of reduction is applied.

NOTES: Data for calendar year 1996. As a result of report changes effective April 1, 1992, charge reductions include: reasonable charge, medical necessity, and global fee/rebundling reductions.

SOURCE: Health Care Financing Administration, Office of Financial Management: Data from the Division of Financial Data Analysis.

**Table 54**  
**Medicaid/administration**

	Fiscal year	
	1995	1996
	In thousands	
Total payments computable for Federal funding	<sup>1</sup> \$7,662,561	<sup>1</sup> 6,727,268
Federal share of current expenditures:		
Family planning	20,576	13,811
Design, development or installation of MMIS <sup>2</sup>	52,025	36,725
Skilled professional medical personnel	179,450	180,926
Operation of an approved MMIS <sup>2</sup>	588,198	585,499
Other financial participation	3,323,562	2,853,004
Mechanized systems not approved under MMIS <sup>2</sup>	56,422	49,694
Total administration	4,220,233	3,719,659
Net adjusted Federal share <sup>3</sup>	3,544,174	3,613,911

<sup>1</sup>Source: Form HCFA-64.10, Expenditures for State and Local Administration for the Medical Assistance Program (net expenditure reported). FY 1996 data are preliminary.

<sup>2</sup>Medicaid Management Information System.

<sup>3</sup>Includes Federal share of net expenditures reported on the HCFA-64 plus HCFA adjustments.

Source: Health Care Financing Administration. Center for Medicaid and State Operations, Quality and Performance Management Group: Data from the Division of Financial Management,



## *Reference*

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**Selected reference material including cost-sharing features of the Medicare program, program financing, and Medicaid Federal medical assistance percentages**

## Program financing

### Medicare/source of income

Hospital Insurance trust fund:

1. Payroll taxes\*
2. Transfers from railroad retirement account
3. General revenue for
  - a. uninsured persons
  - b. military wage credits
4. Premiums from voluntary enrollees
5. Interest on investments

*Contribution rate	<u>1995</u>	<u>1996</u> Percent	<u>1997</u>
Employees and employers, each	1.45	1.45	1.45
Self-employed	2.90	2.90	2.90
Maximum taxable amount			None <sup>1</sup>

Supplementary Medical Insurance trust fund:

1. Premiums paid by or on behalf of enrollees
2. General revenue
3. Interest on investments

### Medicaid/financing

1. Federal contributions (ranging from 50 to 79 percent for fiscal year 1996)
2. State contributions (ranging from 21 to 50 percent for fiscal year 1996)

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<sup>1</sup>The Omnibus Reconciliation Act of 1993 eliminated the Annual Maximum Taxable Earnings amounts for 1994 and later. For these years, the contribution rate is applied to all earnings in covered employment.

SOURCE: Health Care Financing Administration, Office of Strategic Planning: Data from the Division of Medicare and Medicaid Cost Estimates.



## Medicare deductible and coinsurance amounts

<b>Part A (effective date)</b>	<b>Amount</b>
Inpatient hospital deductible (1/1/97)	\$760/benefit period
Regular coinsurance days (1/1/97)	\$190/day for 61st thru 90th day
Lifetime reserve days (1/1/97)	\$380/day (60 nonrenewable days)
SNF coinsurance days (1/1/97)	\$95/day for 21st thru 100th day
Blood deductible	first 3 pints/benefit period
Voluntary hospital insurance premium (1/1/97)	\$311/month \$187/month if have at least 30 quarters of coverage.

### **Limitations:**

Inpatient psychiatric hospital days	190 nonrenewable days
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<b>Part B (effective date)</b>	<b>Amount</b>
Deductible (1/1/91) <sup>1</sup>	\$100 in reasonable charges/year
Blood deductible	first 3 pints/calendar year
Coinsurance <sup>1</sup>	20 percent of allowed charges
Premium (1/1/97)	\$43.80/month

### **Limitations:**

Outpatient treatment for mental illness	No limitations
Licensed physical therapist's services in home or office (1/1/91)	\$600 (80% of maximum annual program payment of \$750)

<sup>1</sup>The Part B deductible and coinsurance applies to most services. Items and/or services not subject to either the deductible or coinsurance are clinical diagnostic lab tests subject to a fee schedule, home health services, items and services furnished in connection to obtaining a second or third opinion, influenza vaccine and its administration, and pneumococcal vaccine and its administration. In addition, federally qualified health center services are not subject to the deductible but are subject to the coinsurance.

SOURCE: Health Care Financing Administration, Office of Strategic Planning: Data from the Division of Medicare and Medicaid Cost Estimates.

**Geographical jurisdictions of HCFA regional offices and  
Federal medical assistance percentages (FMAP)  
fiscal year 1998**

<b>I.</b>	<b>Boston</b>	<b>FMAP</b>	<b>II.</b>	<b>New York</b>	<b>FMAP</b>
	Connecticut	50		New Jersey	50
	Maine	66		New York	50
	Massachusetts	50		Puerto Rico	50
	New Hampshire	50		Virgin Islands	50
	Rhode Island	53		Canada	--
	Vermont	62			
<b>III.</b>	<b>Philadelphia</b>		<b>IV.</b>	<b>Atlanta</b>	
	Delaware	50		Alabama	69
	Dist. of Columbia	50		Florida	56
	Maryland	50		Georgia	61
	Pennsylvania	53		Kentucky	70
	Virginia	51		Mississippi	77
	West Virginia	74		North Carolina	63
				South Carolina	70
				Tennessee	63
<b>V.</b>	<b>Chicago</b>		<b>VI.</b>	<b>Dallas</b>	
	Illinois	50		Arkansas	73
	Indiana	61		Louisiana	71
	Michigan	54		New Mexico	73
	Minnesota	52		Oklahoma	71
	Ohio	58		Texas	62
	Wisconsin	59			
<b>VII.</b>	<b>Kansas City</b>		<b>VIII.</b>	<b>Denver</b>	
	Iowa	64		Colorado	52
	Kansas	60		Montana	71
	Missouri	61		North Dakota	70
	Nebraska	61		South Dakota	68
				Utah	73
<b>IX.</b>	<b>San Francisco</b>			Wyoming	63
	Arizona	65	<b>X.</b>	<b>Seattle</b>	
	California	51		Alaska	50
	Hawaii	50		Idaho	70
	Nevada	50		Oregon	61
	American Samoa	50		Washington	52
	Guam	50			
	N. Mariana Islands	50			
	Mexico	--			

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SOURCE: Health Care Financing Administration, Center for Medicaid and State Operations: Quality and Performance Management Group.







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